



CALFED
BAY-DELTA
PROGRAM

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July 31, 1997

Mr. Terry G. Spragg and Associates
201 Ocean Drive, Penthouse
Manhattan Beach, California 90266

Dear Mr. Spragg:

Thank you for providing me with various documents related to your water transportation system and your interest in the CALFED Bay-Delta Program. I have reviewed the material you provided and requested that Ray Hoagland, an economist with the Department of Water Resources, evaluate the economic study of the water transportation system which you provided.

Based on this rather cursory review, I believe that your proposed water transportation system has potential utility in meeting a portion of California's future water needs. As we have discussed over the telephone, I believe that it is appropriate to consider this as a potential local water supply option in developing the economic evaluations for various CALFED alternatives. By local option I mean water supply infrastructure components which would be developed by water districts and local purveyors, rather than as part of the State Water Resources Development System (State Water Project and associated facilities) or the Central Valley Project.

This evaluation must necessarily reflect the uncertainties associated with your proposed water transportation system. To the best of my knowledge, the system has not yet undergone a full-scale test with towing water bags from Washington to California. Water rights issues, interties with existing infrastructure, environmental clearances, and other permits issues need to be resolved. The true costs of the water transportation system may prove to be substantially different from the estimates you provided.

Given both the potential promise and uncertainties associated with your proposed water transportation system, we plan to discuss it in the technical appendix to the Program Environmental Impact Report/Environmental Impact Statement as one of the potential local options and conduct sensitivity evaluations to indicate how it could affect water use patterns in the study areas and how it could affect the economics of various CALFED alternatives. This means that your proposed water transportation system would not be included in the base assumptions for evaluating all the CALFED alternatives but it would be included in sensitivity evaluations for selected alternatives.

CALFED Agencies

California

The Resources Agency
Department of Fish and Game
Department of Water Resources
California Environmental Protection Agency
State Water Resources Control Board

Federal

Environmental Protection Agency
Department of the Interior
Fish and Wildlife Service
Bureau of Reclamation
Department of Commerce
National Marine Fisheries Service

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I look forward to learning more about your water transportation system as your implementation efforts move forward. If you have any question or comments, please feel free to contact me by telephone at (916) 653-6628 or by email at sbuer@water.ca.gov.

Sincerely,

A handwritten signature in black ink that reads "Stein M. Buer" with a checkmark at the end.

Stein M. Buer
Assistant Director
CALFED Bay-Delta Program

cc: Lester Snow ✓
Steve Yaeger
Rick Shehren
Ray Hoagland
Jeanine Jones